R J Reynolds
Tobacco Company

FEB 6

J. M. OLENICK
Group Manager, Communication
Sales Planning

Winston-Salem, N.C. 27102
(910) 741-6112

February 3, 1995

TO REGION OPERATIONS MANAGERS:

Please distribute the following material to Field Sales Managers and Sales Representatives with K-Mart responsibility.

A copy of the cover letter only was sent to the Region Managers and Area Vice Presidents.

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"We work for smokers."

Source: https://www.industrydocuments.ucsf.edu/docs/mhln0000

February 2, 1995

FSC Letter

As outlined in FSC-442-A on 10/22/94, we have entered into a long-term Merchandising Agreement with Kmart. The agreement has subsequently been modified to include down-sizing the carton merchandiser and replacing the Philip Morris Package Fixture. Major elements of the agreement are:

- A dual sided PFD placed in a "bargain table" location:
  - All new and remodeled stores.
  - One side RJR full price.
  - One side Best Value/RJR Savings.
  - Balance of stores will have Best Value removed from Lane Blocker and incorporated into the existing PFD.
- A reduction of one 4' section of Flex from a typical 16' to 12'.
- Placement of package modules in the vacated 4' section.
- Removal of the Philip Morris Package Fixture.
- Removal of Philip Morris Checklane Display(s).
- Merchandising cartons into the smaller set, horizontally. (RJR will **always** occupy the top two shelves **and** exclusive canopy advertising.)
- Cartons should be set with exclusive POS per the attached plan-o-gram. (There is no SS1 payments; only stores with a PFD will qualify for payment.)

FIELD SALES ACTION REQUIRED

Slate Retail Systems has been contracted to handle the majority of installation labor, however, **the field sales will be involved to the extent outlined below**:

- Slate will begin installations on February 20, 1995. Attached is the schedule for the first six weeks of the project. The remainder of the schedule will be forthcoming.

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Source: https://www.industrydocuments.ucsf.edu/docs/mhln0000

- **One week prior to the Slate's scheduled installation date, sales representatives and/or part-timers will:**

  - Remove all cartons from one 4' section. (As a rule, the 4' section closest to the PM Package Merchandiser.)
  - Remove all shelves from that section.
  - Remove security door (if installed) on that 4' section and dispose.
  - Remerchandise cartons horizontally in the remaining sections of Flex per the attached plan-o-gram.
  - In those stores not scheduled to receive a dual PFD, remerchandise the existing PFD to include Best Value packs and cartons along with RJR full price and savings brands. Remember, in all cases the PFD is an exclusive RJR merchandiser. The "Lane Blocker" will no longer be used for Best Value.
  - Excess full cartons should be returned to the Kmart Tobacco Distributor (605'd) and excess packs (if any) should be worked into fixtures as product sells down.
  - Any store that currently has fewer than 12' of RJR Flex or without at least one 4' section should not be reset. Slate will survey those stores and an alternative solution will be forthcoming.

- Kmart Tobacco Distributors will advise competitive sales representatives to allocate and tag their respective shelves.

- Slate Retail Systems, Inc. will perform the following:

  - Deliver and install package fixture inserts into the empty 4' section.
  - Tag and load per the attached plan-o-gram.
  - Place the Philip Morris fixture in the back room.
  - In designated stores deliver, install, tag and load the new dual PFD.
  - Remove Philip Morris Checklane Display(s).

For SIS information, please refer to FSC-442-A (10/22/94).

Questions regarding this project should be addressed to Chain Account Manager Dennis Bellinger (810-642-2378) or Bill Ragsdale at Slate Retail Systems (800-457-5283).

Thank you for your follow-through and support in this important merchandising project.

John H. Drew
Director, National Accounts

Attachments: Installation Schedule
Plan-O-Gram's
Letter of Authorization
"Back Traffic" Memo (Kmart's E-Mail)

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Source: https://www.industrydocuments.ucsf.edu/docs/mhln0000